

**MIRAE ASSET INVESTMENT MANAGERS (INDIA) PRIVATE  
LIMITED**

**VOTING RIGHTS POLICY**

## Voting Rights Policy

### Introduction

Mirae Asset Investment Managers (India) Pvt. Ltd. (Mirae Asset AMC) is the Asset Management company for Mirae Asset Mutual Fund. In this role, Mirae AMC has an obligation to act in the best interests of the unitholders. This responsibility includes exercising the voting rights attached to securities held by the schemes/funds. It is the policy of Mirae AMC to exercise the voting rights of the schemes in accordance with the best interests of the unitholders.

This Policy contains the principles that form the basis of all votes. Mirae Asset AMC believes that these principles are essential to ensure the long-term performance of assets managed by Mirae Asset AMC. Mirae Asset AMC will manage voting rights with the same level of care and skill as it manages the funds. In general, Mirae Asset AMC does not have the intention to participate directly or indirectly in the management of the companies but it will use its influence as a shareholder amongst others by exercising its voting rights in accordance with the best interests of its unit holders.

The exercise of voting rights requires the ongoing review of the corporate governance and performance of management of an issuer and the consideration of the potential impact of a vote on the value of the securities of the issuer held by the Funds. In order to discharge its obligations under this policy, Mirae Asset AMC accesses and utilizes research on management performance and corporate governance issues, drawn from portfolio manager and analyst due diligence, information provided by leading independent research firms and involvement in organizations. In terms of the Securities and Exchange Board of India (“SEBI”) circular no. SEBI/IMD/CIR No.18 /198647/ 2010 dated March 15, 2010 and clarificatory email received from SEBI on June 23, 2011 and subsequent SEBI Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021 and SEBI/HO/IMD-II DOF 11/P/OW/2022/52316/1 dated October 14, 2022 we have framed the general voting policy and procedures for exercising the voting rights (“Voting Policy”). This Voting Policy shall be applicable to all equity holdings across all our mutual fund schemes.

### What does voting right mean?

Voting Right means, the right of a stockholder to vote on matters of corporate policy. Voting often involves decisions on issuing securities, initiating corporate actions and making substantial changes in the corporation's operations such as the election of the company's directors, merger / amalgamations, appointment of auditors, etc.

Equity mutual funds, and other mutual funds with an equity component, hold shares of companies. The funds are entitled to exercise the voting rights attached to those shares. The shareholders do not necessarily need to be physically present at the site of the company's annual meeting / extra-ordinary general meeting in order to exercise their right to vote. It is common for shareholders to voice their vote by proxy.

## Voting Guidelines

Issuers' proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans and to amend the capitalization of the company.

The Company shall exercise votes in the direction of improving the economic value of the portfolio and protecting the rights of the unitholders considering the following factors:

1. Protecting the rights of unitholders
2. Improving operating profits
3. Raising the intrinsic value of the Company
4. Improving the Company's governance and financial structure.

These guidelines summarize the corporate governance principles which the MAMF will generally support through the exercise of votes on these issues.

- **Boards of directors**

Mirae Asset AMC supports resolutions that promote the effectiveness of boards in acting in the best interests of shareholders. It generally votes in favour of the election of directors for boards having a majority of independent directors and an independent chair, where the chairs of all board committees and at least a majority of committee members are independent.

- **Corporate governance matters**

Mirae Asset AMC support resolutions that change the state of incorporation, merger and other corporate restructuring which are in the interest of the unitholders. However, Mirae Asset AMC will vote against resolutions pertaining to takeover by an acquirer, etc which in their opinion are against the interest of the unit holder.

- **Auditors and auditor compensation**

Where all members of an issuer's audit committee are independent, Mirae AMC will generally support the election of directors, the appointment of auditors and the approval of the recommended auditor compensation.

- **Management compensation**

The goal of Mirae Asset AMC is to support compensation arrangements that are tied to long-term corporate performance and shareholder value. These arrangements should induce management to purchase and hold equity in the company to better align management's interests with those of shareholders. Stock option plans that are overly generous or excessively dilutive to other shareholders will not be supported.

- **Changes in capitalization**

Mirae Asset AMC recognizes the need for management of an issuer to have flexibility in the issue or buyback of shares to meet changing financial conditions. Changes in capitalization will generally be supported where a reasonable need for the change is demonstrated, however changes resulting in excessive dilution of existing shareholder value will not be supported.

- **Social and corporate responsibility issues**

Mirae Asset AMC recognizes the need of role of government, demands for greater disclosures, increased investor education, environmental benefits, benefits to the community and the general public.

Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value. Mirae Asset AMC reserves the right to vote against any resolution that goes against the interest of its unit holders.

Mirae Asset AMC shall compulsorily vote in case of below mentioned matters:

- a. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions.
- b. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
- c. Stock option plans and other management compensation issues.
- d. Social and corporate responsibility issues.
- e. Appointment and Removal of Directors.
- f. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

Related party transactions of the investee companies (excluding own group companies). For this purpose, “Related Party Transactions” shall have same meaning as assigned to them in clause (zc) of Sub-Regulation (1) of Regulation (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For all remaining resolutions which are not covered above, Mirae Asset AMC shall compulsorily cast its votes with effect from April 01, 2022.

The vote shall be cast at the Mutual Fund Level. However, in case Fund Manager/(s) of any specific scheme has a strong view against the views of Fund Manager/(s) of the other schemes, the voting at scheme level shall be allowed subject to recording of detailed rationale for the same.

### **Procedure for use of Voting Guidelines**

A decision to invest in an issuer is based in part on a fund manager's analysis of the performance of management and the corporate governance of the issuer. Since a decision to invest is generally an endorsement of management of the issuer, Mirae Asset AMC will generally vote with management on routine matters. However, since a fund manager must be focused on shareholder value on an ongoing basis, it is the responsibility of the fund manager to be aware of the potential investment implications of any issue on which security holders are asked to vote.

The Guidelines indicate the principles of corporate governance which the Funds will generally support through the exercise of votes.

While Mirae Asset AMC will generally vote the Funds' proxies strictly in accordance with the Funds' Voting Guidelines, there may be circumstances where it believes it is in the best interests of a Fund to vote differently than the manner contemplated by the Guidelines. The ultimate decision as to the manner in which the Funds' proxies will be voted rests with Mirae Asset AMC. The AMC shall abide by the following procedure for exercising the voting rights:

1. The Investment team shall examine and decide on AGMs/EGMs which have been submitted to its authority. If a consensus cannot be achieved, the final voting decision will be taken by the Chief Investment Officer.
2. In most cases, the AMC exercises its funds' voting rights by appointing an authorized agent. It may, however, if deemed necessary, be physically present at a meeting and vote in person.
3. Authorized Officials and/ or authorized representatives of Custodian of the Fund would submit voting instructions for General Meetings where the AMC chooses to vote i.e. either FOR or AGAINST.
4. The AMC may also abstain from voting for the Investee Companies in case the Mutual Fund has no economic interest on the day of voting.

In case of any escalation or conflict, it may be referred to the Investment Committee.

### **Mechanism of Voting**

With the introduction of voting through electronic platforms, the Investment Manager casts its votes on the voting platforms offered by CDSL/NSDL and other service providers. At times, even after voting through electronic means, the fund managers may attend the general meetings of the Investee Companies as it provides an opportunity to pose questions to the directors of the investee companies. Where e-voting is not mandated or in cases where e-voting is not possible, Investment Manager endeavours to vote through proxy. Further, AMCs shall track Company's General meeting notices on Stock Exchange website.

### **Use of Outside Advisory Services:**

The AMC may utilize any other outside professionals' advisory services to secure expertise and objectivity of voting rights and also to enhance the fidelity of voting rights execution.

However, even if such services are used, the obligation to faithfully execute voting rights is with the AMC. Therefore, while the recommendations from the external advisory professionals are utilized for reference purposes only, the final determination and decisions are made by the AMC. The AMC may choose not to act upon the recommendations of the external advisors, in case it has valid justification for the same.

### **Voting Records**

In this section, you can find out how voting rights were exercised on behalf of the Mirae Asset AMC that held voting securities. Disclosure of exercise of votes cast (for/abstain/against) in equity holdings across all schemes (including passive investment schemes like Index Funds, Exchange Traded Funds) of Mirae Asset Mutual Fund including the rationale supporting its voting decision shall be made accessible in the Annual Report distributed to the Unitholders and / or on the website of Mirae Asset AMC in the format prescribed by SEBI from time to time.

## **Conflict of interest provision**

Voting is exercised in the exclusive interest of holders. All votes are centralized, which ensures uniformity and adherence to the aforementioned principles. The strict separation of Mirae AMC's asset management activities from other activities within the Mirae Asset Financial Group prevents access of the asset management company to insider and price sensitive information for which use and/or disclosure of such information could generate conflicts of interest. The parent of the AMC is a global investment manager and has various offices around the world. Hence, the investment manager is an affiliate of many diversified financial organization across the globe, however the investment manager is a stand-alone entity in India. Any financial transaction, where:

- i) The investment is made into group companies of the AMC, or
- ii) The investee companies have subscribed to the units of their schemes, may lead to conflict of interest.

Generally, the AMC shall abstain to vote for any matters connected with the above. However, the AMC will make its best efforts to avoid any conflicts and ensure that any conflicts of interest are resolved in the best interest of the unit-holders.

Additionally, Mirae Asset AMC has implemented procedures and appropriate controls and monitoring routines in order to prevent conflict of interest.

Further, the AMC has Stewardship Policy in place which has been drafted in accordance with SEBI Circular no. CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019.

## **Review and control process**

1. On analysis of AGM/EGM resolutions, if any conflict of interest is identified with the AMC's voting policy, then the same shall be alerted to the Chief Investment Officer.
2. The AMC shall be responsible for maintaining records for votes cast and abstentions, proxy statements and any other relevant record in this regard.
3. All the voting rights exercised/abstentions in the previous month shall be reported to the Investment committee meeting in the next month.
4. Every record, including the voting statements, abstentions shall be retained for audit purpose.
5. The process of exercise of votes as listed above shall be reviewed by the AMC, from time to time.
6. Fund Managers/Decision makers shall submit a declaration on quarterly basis to the Trustees that the votes cast by them have not been influenced by any factor other than the best interest of the unit holders.

## **Disclosures**

The policy shall be available on the website i.e. [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in).

Further, the following periodical disclosures shall be made available on the website:

1. Disclosure of vote cast on our website (in machine readable spreadsheet format) on a quarterly basis within 10 working days from the end of the quarter. A detailed report in this regard along with summary thereof shall also be disclosed on the website.
2. Disclosure of votes cast on the website, on an annual basis. Further, Mirae Asset AMC shall provide the web link in the annual report regarding the disclosure of voting details.
3. Scrutinizer's certification on the Voting Reports shall be disclosed in the annual report and on the website.

### **Review by Board of AMC and Trustee**

The Voting Policy shall be reviewed periodically by the Board of AMC and Mirae Asset Trustee Company Private Limited.